

# IPL

## Summer 2004 Preparedness

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# IPL 2004 Summer Preparedness

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# Presentation Overview

- IPL Historical Summer Peaks
- Market Price Outlook
- 2004 Summer Peak Projection
- Conservation & DSM Load Management
- IPL Generating Capabilities
- NOx Compliance Plan
- Purchased Power Projection
- 2004 IPL & ECAR Reserve Margins
- Transmission Preparedness

**We Build**

**We Buy**

**We Conserve**

**... and We Deliver**



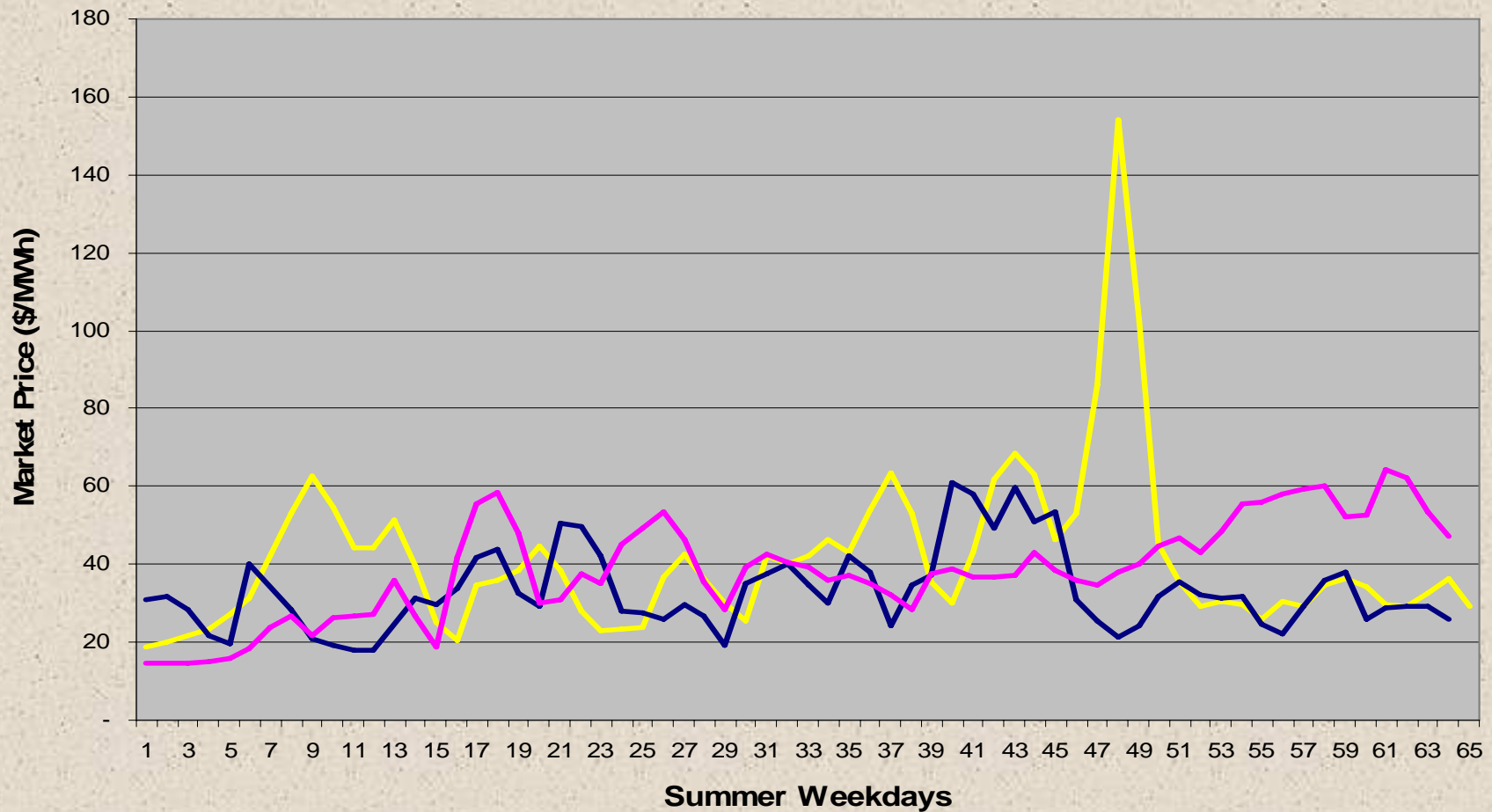
## IPL Historical Summer Peaks

	<u>2001</u>	<u>2002</u>	<u>2003</u>
MW	2916	3003	2892
Date	8/7/01	7/22/02	8/26/03
Hour	4:00 PM	4:00 PM	5:00 PM
Temp.	91°F	92°F	86°F
Relative Humidity	54%	58%	65%
THI	82.7	84.0	80.6

# Forward Market Prices

Date	June	July-August
5/1/1998	28.20	58.25
5/3/1999	58.63	118.00
5/1/2000	67.25	148.00
5/1/2001	68.75	110.50
5/2/2002	37.05	49.85
4/23/2003	42.50	53.00
4/16/2004	42.90	53.75

## Day Ahead Market Price Index June through August



— 2001 — 2002 — 2003



# ECAR Demand & Capacity

	Summer 1998	Summer 2004	Change
<b>ECAR Demand (TID)</b>	<b>93,952</b>	<b>102,423</b>	<b>8,471</b>
<b>ECAR Capacity (NDC)</b>	<b>104,224</b>	<b>131,522</b>	<b>27,298</b>
<b>ECAR Capacity Margin</b>	<b>10,272</b>	<b>29,099</b>	<b>18,827</b>



## IPL 2004 Summer Projected Peaks

	<u>June</u>	<u>July</u>	<u>August</u>
Uncontrolled Demand	2955	3110	3070
Load Management & Conservation DSM	125	125	125
Net Internal Demand	2830	2985	2955

Note: Forecasted values are based on a THI of 84.0

# Customer Load Management Options

## Summer Demand Impacts (MW's)

					PROJECTED	
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Rider 14	12	12	12	12	12	12
Rider 16	24	28	19	19	0	0
SS-Agreements	6	6	5	5	5	7
Rider 17	12	10	14	3	5	5
Rider 18		20	20	0	0	0
Rider 15			27	23	27	27
ACLM					3	6
<b>Total</b>	<b>54</b>	<b>76</b>	<b>97</b>	<b>62</b>	<b>52</b>	<b>57</b>



## Air Conditioning Load Management (ACLM)

- 2<sup>nd</sup> year of “Cool Cents” program.
- Customers receive \$20 credit each summer.
- One control event during 2003 on IPL peak day.
- 3500 customer installations in 2003.
- Expect a minimum of 6000 customer installations and 6MW's of curtailable load for 2004.
- Project 10,000 customer installations and 10 MW's of curtailable load by 2005.

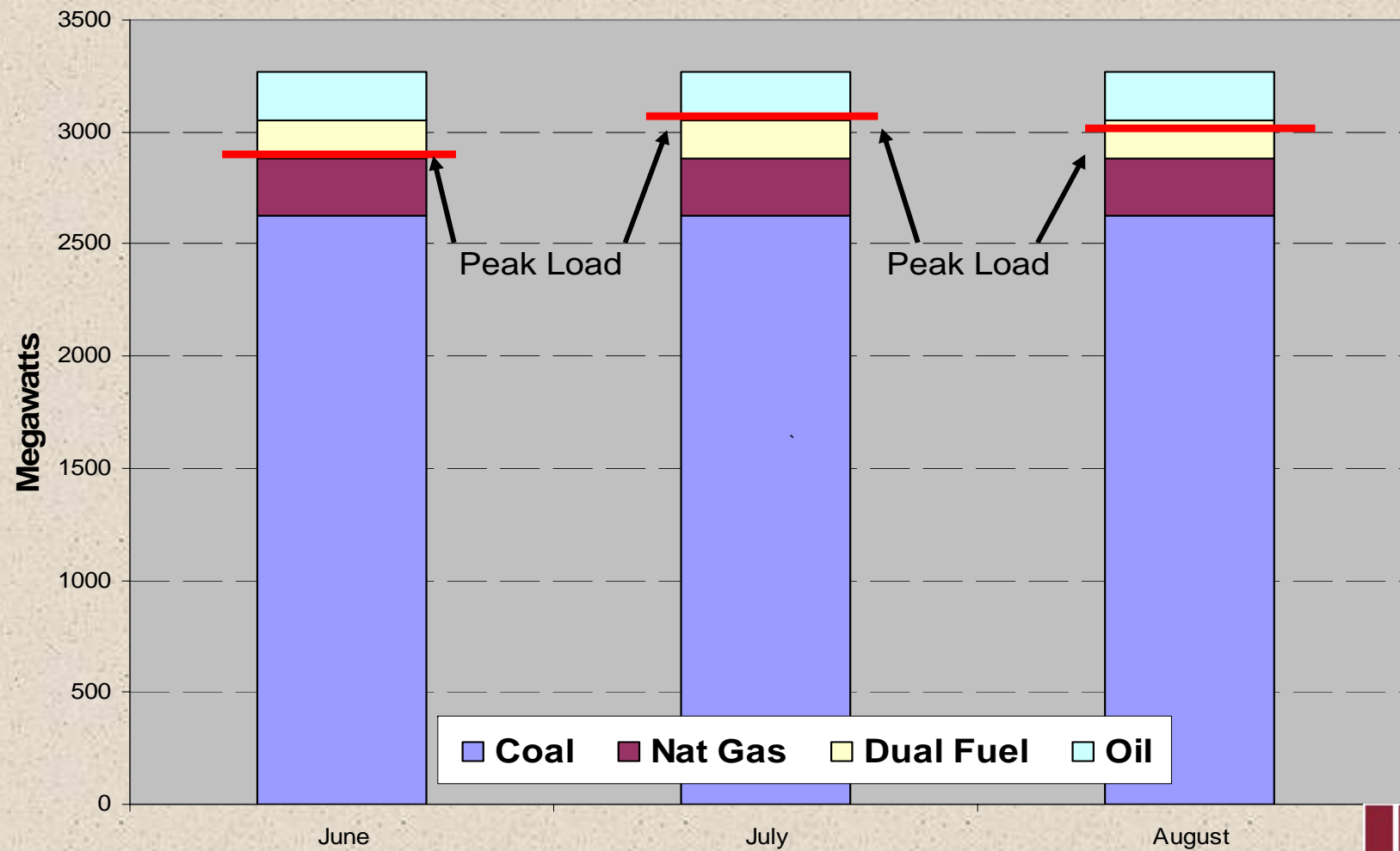
# Comprehensive DSM Programs

- Weatherization Services for Income Qualified Customers since 1997
- Negotiating with Interested Parties for a comprehensive DSM Program – expected to include
  - Extended Income Qualified Weatherization
  - Energy Efficiency / Renewable Education
  - High Efficiency HVAC
  - Greater ACLM participation
  - Evaluation of a Residential Critical Peak Pricing Pilot Program



# IPL Generating Capability By Fuel Type

## Summer 2004



## Recent Capacity Additions

<b>Unit Name</b>	<b>In Service</b>	<b>Summer Capacity (MW)</b>
<b>GTWN GT1</b>	<b>2000</b>	<b>79</b>
<b>HSS GT6</b>	<b>2002</b>	<b>158</b>



# NOx Compliance Plan

- NOx SIP Call compliance begins on 5/31/04
  - SCRs on Pete Units 2 & 3
  - SNCRs on Harding Street Units 5 & 6
  - LNBs on Eagle Valley Units 4 & 5
- All units scheduled to be in service by 5/31/04
- Harding Street Unit 7 SCR scheduled for in service by 5/1/05

# Power Purchases

## Summer 2004

- Projected 73MW Firm Purchase
- Additional short-term market purchases for economic reasons or as replacement power for unexpected unit outages.



## Resources Available to Meet IPL Summer Peaks Summer 2004

	<u>June</u>	<u>July</u>	<u>August</u>
<b>Projected Peak (NID)</b>	<b>2,830</b>	<b>2,985</b>	<b>2,955</b>
Existing IPL Owned Generation	3,252	3,252	3,252
Network Resource (CTE)	19	19	19
Projected Power Purchase	73	73	73
Scrubber Option	19	19	19
<b>Total Resources</b>	<b>3,363</b>	<b>3,363</b>	<b>3,363</b>

# IPL & ECAR *Reserve Margins*

## Summer 2004

	<u>June</u>	<u>July</u>	<u>August</u>
IPL Net Internal Demand (NID)%	18.8	12.7	13.8
ECAR (Stand Alone) NID %	34.9	26.7	27.2
ECAR (w/ Sched Inter) NID %	36.6	28.4	28.9

Note: ECAR numbers are based on preliminary 2004 GRP-33 Summer Appraisal Report.



# Transmission Preparedness

## IPL Transmission System Capacity

- No significant problems have been identified from our internal system assessment based on normal design criteria
- There is adequate transmission capacity for this summer to meet IPL's projected peak loads
- The Midwest ISO and ECAR are conducting assessments of the IPL transmission system and IPL is working with them to complete their reviews

# Transmission Preparedness

## Vegetation Management

- IPL is in very good shape on its 345 kV Lines
- IPL continues an aggressive vegetation management program for its transmission lines
- An aerial patrol is done twice a year for vegetation issues
- IPL has not experienced a tree related outage of a 345 kV line in over ten years



# Summary

- IPL's Resource Portfolio of Owned Generation, DSM Options, and Power Purchases will support projected summer 2004 customer load requirements.
- IPL's transmission system for summer 2004 has been planned and evaluated in accordance with applicable transmission planning criteria and no significant bulk transmission capacity problems were identified.